



**NEW ANTI-CORRUPTION GOVERNMENTS: THE CHALLENGE OF DELIVERY**

# **SLOVAKIA**

**A CASE STUDY**

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# Slovakia

## 1. Executive summary

This case study compares the governments of Mikulas Dzurinda, who has been the Slovak prime minister since 1998, and the 1994-1998 government of Vladimír Mečiar. During the past six years, Slovakia has undergone extensive modernisation as part of its ambition to become a successful industrialised country and a member of the European Union. The anti-corruption drive of the Dzurinda government has been part of these efforts. On the one hand, it has been successful in radically improving nearly all the key anti-corruption systems and has, more recently, started to vigorously pursue and prosecute actual corruption cases. On the other hand, it has not been able to retain public trust in anti-corruption institutions or decrease the level of perceived corruption. Corruption has continued to be one of the top issues on the public and political agendas during the past six years and is likely to remain so in the near future. A coalition of anti-corruption politicians, NGO activists and the media has proven to be a key ingredient in successful structural reforms, with the supplementary influence of the EU accession requirements. Progress in areas where this coalition, or indeed the executive, has limited power - such as the judiciary and prosecution - has been limited.

## 2. Summary

### 2.a. Overall outcomes and current status

- *Major reforms achieved, but has there been a significant drop in corruption?*

The issue of corruption is no longer taboo in Slovak society. It is a publicly discussed topic that attracts the attention of NGOs, media and politicians. Relevant actors conduct anti-corruption activities with varying degrees of success.

Since 1998, the Slovak government has declared the fight against corruption one of its priorities. The aim of anti-corruption policies is to curb corruption in the various parts of the public sector. Therefore, the tools chosen by the government have taken two forms.

- Relatively big structural and systemic changes in particular segments of the Slovak public sector, for example, in the judiciary, management of public finances and public administration. It is expected that these reforms will have also anti-corruption effects.
- The adoption of special anti-corruption programmes (1998 Dzurinda government in 2000 and 2002 Dzurinda government in 2003).

How are those efforts reflected in practice? Have these reforms and programmes borne any tangible anti-corruption fruit for the citizenry? Let us look at some indicators of the scale of corruption, such as the number of cases investigated by the police and the number of people sentenced in relation to the corruption-related criminal offences. The following table provides this information for the past few years:

**Table 3: Corruption developments in recent years in Slovakia**

Year	Investigations	Indictments	Sentences
2001	83	78	51
2002	139	118	57
2003	147	95	49
Till the end of June 2004	134	95	29

Source:

Sentence: Office of the Attorney General of the SR

Investigated and indicted criminal acts: Ministry of Interior of the SR

The first impression is that corruption has increased because more cases are uncovered by the police. We suggest, however, that this instead reflects a better institutional framework for dealing with corruption cases, higher transparency that allows for disclosing them and higher awareness that demands the penalisation of this kind of behaviour. The situation, as seen from the table, is far from ideal. That is demonstrated, for example, by the fact that criminal proceedings take quite a long time to move from police investigation to prosecution and then to sentencing. The number of sentences is lower than the cases prosecuted and indicted. This may also reflect existing corruption in these institutions.

A second indicator is the perception of corruption as reflected by public polls and surveys. In general, according to public polls in 2003, 24 per cent of citizens considered corruption to be a serious problem, whereas in 2004 this figure was 18 per cent. In 2004, corruption was considered to be the fourth biggest problem in Slovak society after living standards, unemployment and health

care.<sup>1</sup> When comparing the results from surveys prepared by the agency Focus for TI-Slovakia in 1999, 2002 and 2004, the following three trends can be identified:

- the perception of corruption has not been significantly changed in the area of health care,<sup>2</sup> judiciary, ministries, etc;
- the number of respondents who perceive corruption to be very widespread increased slightly in the area of local government (from 25 per cent in 2002 to 28 per cent in 2004); and
- the decrease in perceptions of corruption is the most significant in the work of the police (from 50 per cent in 1999 and 55 per cent in 2002 to 43 per cent in 2004). A slight decrease is also seen in the case of customs (from 42 per cent in 1999/2002 to 39 per cent in 2004) and education (from 38 per cent in 1999 and 41 per cent in 2002 to 35 per cent in 2004).

There are several explanations for these trends. Many reforms have not been fully implemented yet, including judiciary reform. Meanwhile, the public policies adopted face various challenges in the implementation process. For example, in the judiciary, the failure is of the Judicial Council where independence does not mean irresponsibility. Some reforms are still being discussed and adopted by the parliament, for instance in the health care system. Therefore, expecting immediate change when deep structural reforms are effected is unrealistic. Increasing decentralisation of corruption is related to the ongoing decentralisation of public power and finances to the local level without introducing sufficient anti-corruption safeguards.

There are also very positive examples that prove that it is worthwhile to finalise reforms and pursue their implementation. One example is the reform of the banking sector by the 1998 Dzurinda government. The perceived corruption in this area moved from 29 per cent in 1999 to 18 per cent in 2004. Therefore, it seems to be crucial not to stop half way in the process of conducting structural reforms.

As for the current anti-corruption government programme, not all of its pledges have been adopted yet. In addition, the anti-corruption programme is not updated to reflect new challenges and the changing situation in the Slovak public sector. On the other hand, the measures that have been approved so far are of relevance and can help in making corrupt practices riskier in the Slovak public sector.

- ***Main obstacles and main opponents to the anti-corruption reform***

In general, as stated above, corruption is a publicly discussed issue and the public is demanding change. Therefore, no political party can publicly reject the anti-corruption agenda. But looking deeper at real practices, one can draw several conclusions.

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<sup>1</sup> *Daily SME*, 26 June 2004.

First, deep structural reforms are an important element to curbing corruption in transition economies. To effect them requires political will and to a certain extent political stability. If the governing coalition does not possess the relevant majority in the parliament, the government becomes, to a certain extent, powerless and anti-corruption declarations face the risk of staying on paper. That is one of the obstacles Slovak reforms face. Even MPs from the governing coalition do not necessarily support all structural reforms and explicit anti-corruption changes. The declared political will of the government is not always reflected in practice in the parliament, especially when dealing with issues of MPs' personal interests. As the director of the office, Jan Hrubala, told the *Daily SME*: 'People perceive the situation negatively when politicians do not make stricter the acts that govern their own behaviour.'<sup>3</sup>

Second, another group of partial opponents comes from the camp of representatives of local governments.

Third, failure to deal with corruption and perceptible lack of interest in combating it can be found also among the self-regulating professional associations, including judges, notaries, attorneys, and university teachers. The trade unions are highly politicised and are reluctant to undertake any anti-corruption activities.

Finally, various scandals are discussed in the media without prompting quick feedback and related sanctions. This is especially so in the areas of public procurement and political clientelism in the selection of political nominees for various professional public positions. The public therefore becomes pessimistic about the existence of real will in the government to fight corruption.

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- ***Main success factors and reform drivers***

There are four key factors that have driven anti-corruption reforms over the past four years. The first is strong and sustained public pressure. The public has consistently rated corruption as one of its key preoccupations in all opinion polls and continued to reward (in polls) politicians who are seen as corruption fighters. In the vigorous and dynamic Slovak democracy, this has been crucial in keeping the interest of the political elite focused on the issue and in the emergence of senior political figures who base their credibility on their anti-corruption efforts.

The second factor of success is the overall environment of rapid reforms on all fronts in Slovakia since 1998. This environment is important for two reasons. First of all, it contributes to the overall feeling that when change is possible in so many areas, it should be also possible to do something about corruption. More importantly, deep structural reforms of key elements of the public sector have made it possible to remove or diminish, at low political cost, some of the structural underpinnings of corruption.

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<sup>2</sup> For several years, health care has figured in the category of public institutions perceived as highly corrupt: 66 per cent of citizens think that corruption in this area is very widespread.

<sup>3</sup> *Daily SME*, 26 June 2004.

Thirdly, anti-corruption pressure groups, particularly NGOs, have been well-researched, well-organised, articulate and media-savvy, thus making a vital contribution both to continuing political and public interest in the issue and to providing recipes for specific action.

Last but not least, the preparations for EU membership have helped in many areas both through infusion of know-how (for example, in financial control and audit mechanisms) as well as in the creation of pressure for change (for example, in the passage of the Civil Service Act).

## **2.b. Current challenges**

The fight against corruption has its own peculiar dynamics. Improvement in one field can bring new corruption-related challenges in other public sector fields.

Many areas of public life are undergoing reform processes and one can expect a better anti-corruption equilibrium to be achieved with time. So-called petty corruption in health care, in education and the everyday operations of public administration may decrease in a few years. As seen also from the situation in older EU member states or other OECD countries, however, so-called grand corruption (especially political) is much harder to curb.

The face of the public sector is changing as public services are increasingly delivered by state firms in the legal form of shareholding companies or in partnership with private companies (so-called PPPs or public-private partnerships). The challenge is to make those companies and partnerships more publicly accountable (they enjoy much lower accountability in other OECD countries also).

The other challenge is related to a perceived increase in the 'decentralisation of corruption'. The mainstream media pay much more attention to what is done at the central level and for a long time municipal activities have been out of the public focus. Although there are several exceptions, the local media are usually in the hands of municipalities. Increasingly, municipalities are becoming important public actors in Slovak public life and the challenge of monitoring them is also increasing. Several attempts are underway to form networks of local watchdogs, and many civil society leaders have expressed their interest in becoming involved in such activities. But the requisite finances are not yet in place to help them to establish themselves.

This is related to the challenge of the decrease in financing for anti-corruption activities of NGOs in general. Once Slovakia became an EU member, the majority of the donors financing such activities left the country. Domestic financing sources are almost nonexistent. And if the NGOs want to maintain their watchdog status and necessary independence from the government in order to perform anti-corruption monitoring and other relevant activities, government funds are hardly an appropriate replacement for the support provided by the departed donors.

## **2.c. Evaluation and lessons learnt**

The Slovak experience of 1998-2004 shows that sustained effort can bring about significant improvements in corruption if it is linked with overall reform of the economy and governance

structures. Such efforts need to maintain a careful balance between rooting out structural causes of corruption and vigorous pursuit of corrupt individuals by law enforcement agencies, however. In Slovakia, the period 1998-2002 has seen extensive activity on the structural reform front, but public perceptions have not reflected this. On the other hand, since 2002, when the law-enforcement angle has been more pronounced, trust among the public that ‘something is happening on the corruption front’ is higher.

The second lesson of the Slovak experience is that reform can rarely be expected to be an inside job. Even if there are politicians who place emphasis on fighting corruption, they need strong external allies if they are to overcome the obstacles in their path. Therefore, the coalition of the media and the NGOs that keeps the spotlight on corruption is essential to preserve public attention and support.

The third lesson is that the politics of anti-corruption is among the most complex of all. Since measurement of actual corruption is extremely difficult and even perception indices are strongly influenced by the level of public information and interest, there are strong incentives for any government to deal with symptoms rather than with root causes. Thus, a spotlight on corruption is likely to be damaging to the public trust even if it is accompanied by increased vigour in the government action and actual results. Additionally, the difficulty of measurement and the moral aspect of the problem make for symbolic rather than systematic politics, again creating incentives to focus on a few high-profile arrests rather than detailed day-to-day structural work.

Last but not least, again because of the difficulty of measurement and the strong moral angle, there is a thin line between detailed scrutiny and disillusion that NGOs, media and other publicly active institutions in discussing corruption must be constantly aware of. If the media and activists give the same level of public criticism and attention to minor infractions and questionable practices as to major scandals, they risk confusion among the electorate, fostering feelings that ‘they are all the same’ and ‘nothing changes’.

#### **2.d. Recommendations**

Based on the Slovak experience from the anti-corruption efforts of the past six years, several basic recommendations can be made.

- There are only limited funds available to be used in the fight against corruption in both government and non-governmental sectors. Therefore, it is recommended that anti-corruption players carefully rethink which reforms should be financed to decrease corruption in a particular country.
- Outside actors, such as the media and NGOs, need to be vigorous in their scrutiny, but careful about giving a clear impression to the public about the relative importance of various issues, scandals and problems in order to enable the public to distinguish between the level and extent

of corruption under various governments and the actual commitment to fighting corruption among various parties and politicians.

- The political will to focus attention on this agenda can be fostered by clear and professionally based advocacy by NGOs and the media. It is recommended that NGOs involve relevant experts to come up with constructive recommendations on what should be done to decrease corruption and advocate for these changes. The same applies for the governmental side: it must form highly professional teams that are able to develop and pursue the anti-corruption agenda.
- In transition countries, the fight against corruption cannot be based only on increasing the powers to investigate and prosecute corrupt behaviour. Preventive measures, consisting of both systemic reforms that may only have an impact in the medium to long-term and short-term preventive measures, are crucial as well. Special institutions like agent provocateurs can be used in special cases, but the main principle is to reform specific areas of the public sector in such a way as to decrease incentives for corruption.